

**MINUTES OF REGULAR MEETING  
ILLINOIS GAMING BOARD  
APRIL 22, 1998  
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

The Illinois Gaming Board ("Board") held its Regular Meeting on April 22, 1998 in Room 503 on the 16th floor of the James R. Thompson Center, 100 West Randolph, Chicago, Illinois, pursuant to the Illinois Open Meetings Act, 5 ILCS 120.

The following Board Members were present: J. Thomas Johnson, Chairman; and Members William B. Browder, Gayl S. Pyatt, Terry A. Scrogum and Robert F. Vickrey.

Also in attendance were: Administrator Michael A. Belletire, Deputy Administrators Joseph Haughey, Allan McDonald, and Thomas Swoik, Deputy Chief Counsel Mac Ryder, other members of the staff, the media, the general public and interested parties.

Chairman Johnson called the meeting to order at 9:32 a.m. Member Browder moved **that the Board retire to Closed Session pursuant to Section 2(c), paragraphs (1), (4), (11), (14) and (21) of the Open Meetings Act, to discuss the following subject matters:**

- 1. Issues Concerning Applicants and Licensees**
- 2. Recommendations of Administrative Law Judges**
- 3. Investigatory Matters**
- 4. Personnel Matters**
- 5. Closed Session Minutes**

Member Pyatt seconded the motion. The Board adopted the motion by unanimous consent.

The Board convened in Open Session at 1:00 p.m.

Chairman Johnson introduced the newest Board member Terry Scrogum who was appointed in March by Governor Edgar to fill the term of former Board member Byron Cudmore. Member Scrogum is Deputy Executive Director of the Hope School in Springfield. Prior to his current position he has held various senior positions in State government.

Board Minutes

Member Browder moved **that the Board approve the minutes from the open and closed sessions of the March 17, 1998 regular meeting.** Member Pyatt seconded the motion. The Board approved the motion unanimously by voice vote.

### Chairman's Report

The Chairman noted one addition to the agenda. Under the Supplier Licensee section of the agenda, Mikohn Gaming has requested to make an initial presentation concerning the acquisition of another supplier licensee. Under Owner Licensee items for initial consideration, Empress' request for a financing proposal should be under items for final action. The Chairman noted that Empress has come before the Board on two previous occasions for this issue.

The Chairman thanked Marianne Floriano and staff for their efforts in producing a timely and well crafted annual report.

### Administrator's Report

Administrator Belletire summarized the following monthly statistical reports: Adjusted Gross Receipts; Underage Patrons; Cruise Disruptions/Cancellations; Credit Issuance; and Internal Control System changes.

The Administrator also reported that The Admiral, a riverboat casino moored in downtown St. Louis, Missouri, was struck by a runaway barge and broke loose from one of its two moorings. Power was lost and several patrons reported minor injuries. The Admiral will be out of service for at least three weeks, possibly longer.

Pursuant to the Board's request, Commander Haughey prepared an overview of safety issues and a summary of the status of recent inspections on Illinois vessels. Staff also prepared a report last year for the National Transportation Safety Board ("NTSB"). The NTSB report was prompted by the barge accident involving a Louisiana casino in December 1996. Administrator Belletire stated that Illinois vessels are self-propelled passenger vessels with marine crews unlike the permanently moored barges in other states. He stated that licensees work with the U.S. Coast Guard to insure the safety and welfare of its passengers.

Chairman Johnson asked if there has been any initial U.S. Coast Guard reaction to the accident involving the Admiral. The Chairman surmised that if the Admiral had been under its own power it may have been able to produce an opportunity to minimize the danger the vessel was in. Commander Haughey stated that he would be asking the Coast Guard those questions and would report back at the next Board meeting.

Member Vickrey asked Mr. Haughey to pull together statistics on the following: what a barge equates to in terms of tons; how many barges can be strapped together during transport; and, the limitations on a barge throughout a calendar year.

Administrator Belletire continued his report. He reported that the National Study Commission on the Impact of Gambling will meet in Chicago on May 20 and May 21. The Commission

will meet in the Auditorium of the James R. Thompson Center. The main topic of the two day meeting will be Internet Gambling.

The Administrator reported that Allan McDonald, Senior Revenue Agent, has been appointed Acting Deputy Administrator of Audit. Al has been with the Board since its inception.

The management rotation policy of the Illinois State Police ("ISP") has brought about two recent transfers. M/Sgt. Jim Callahan, Harrah's docksite supervisor and M/Sgt. Tommie Wofford, a Chicago investigations supervisor, have been transferred to other ISP duties. M/Sgt. Jeff Vlcek will be replacing Jim at Harrah's and Sgt. Pat O'Driscoll will be replacing Tommie in Chicago.

#### Owner Licensee Items

CASINO ROCK ISLAND ("CRI") - Ron Wicks, representing CRI, introduced several key people at CRI. Mr. Wicks reported that a gaming consultant evaluated the CRI operation, its expansion plans and the competitive environment in which CRI operates. The findings have been forwarded to the Board for review.

Mr. Wicks stated that CRI realized in 1997 that it needed to philosophically change its strategy in order to create two distinct agendas. The first was to continue the pursuit of legislative change and to develop an expansion plan to once again restore CRI as the market leader in the Quad-cities. The second was to operate a competitive business in spite of the legislative reality that CRI faces. To achieve its goals, CRI set out to find a seasoned professional who possessed a wide range of casino experience, a successful track record and a proven ability to assume the position of Vice President and General Manager. Mr. Wicks announced that under the guidance of C.J. Graham CRI has become reinvigorated. Mr. Graham is responsible for the day-to-day operations of the casino. Mr. Wicks stated that the goals set by CRI for Mr. Graham are to create a positive work environment, avoid anxiety over lack of legislative action, effectively manage CRI's costs and create successful marketing programs. Mr. Wick's stated that CRI is focused on the future and has regained its pride and its positive outlook. In 1997, CRI experienced a modest 2 percent growth in revenues.

Mr. Graham addressed CRI's operational agenda, which focuses on four different areas: financial performance, customer service, employee training and community perception. Mr. Graham stated that CRI has effectively promoted the casino and maximized revenues through creation and implementation of several marketing programs. CRI has executed diligent expense management policies, proceeded efficiently to utilize the property's meeting facilities, food and beverage service, use of retail space and gaming to increase operations. Over the past year, CRI has moved towards promoting a positive high energy work environment through personal leadership, guidance and example. There are on-going employee training programs, supervisor communication and classroom training. CRI participates in many community

functions, luncheons and meetings and is an active participant in tourism and community development.

Bill Renk, VP of Sales and Marketing, gave an overview of CRI's marketing strategies. He reported that CRI hired a Special Events Coordinator to handle the new marketing programs. Under the Coordinator's guidance, a manager and casino host personnel service the needs of casino patrons as well as providing marketing, special events and promotional support. Mr. Renk reported on CRI's expanded advertising strategies and its continued use of direct mail to the individual communities that make-up the Quad-cities.

Mr. Wicks concluded by stating that CRI continues to meet the spirit of the Riverboat Gambling Act and requested renewal of its license.

Chairman Johnson referred to the gaming consultant's report prepared for CRI and asked about the competitive disadvantage due to the parking situation surrounding the casino. The Chairman asked Mr. Wicks' reaction to that part of the study and whether there are plans in place to address the problem. Mr. Wicks stated that CRI has been working with the City of Rock Island to solve the parking situation. CRI is currently developing plans to build a parking deck.

Chairman Johnson asked what type of assistance the City is going to provide. Mr. Wicks stated that no financial matters have been discussed but the City has agreed to make space available for the addition of parking spaces.

Chairman Johnson asked Mr. Wicks to address its legislative initiatives. Mr. Wicks stated that CRI has been very active in Springfield trying to promote the issue of dockside gaming. Over the years CRI has worked to get the attention of the leadership in Springfield and CRI believes the issue of expansion (i.e. new licenses) is no longer the major concern. He clarified that dockside gaming is not viewed as expansion.

In response to Chairman Johnson, Mr. Wicks reported that CRI has obtained an additional 200 parking spaces in 1997. The spaces are to the West and across the street from the casino. If docksite gaming were to get passed by the legislature, CRI has plans in place to provide shuttle buses for patrons.

Member Pyatt asked for clarification on the parking situation. Mr. Wicks stated that currently CRI does not have a parking problem. Mr. Wicks stated that CRI has worked with the city and with near-by businesses to provide parking for its current needs. He stated that a major expansion program has been announced and that CRI is looking at a 7,500 square foot casino and one or more multiple parking decks. He indicated that the plan was contingent upon legislation to allow docksite gambling. Mr. Wicks reported that the City of Rock Island is committed to working with CRI on this expansion plan.

Member Vickrey asked that someone from the City of Rock Island be present at the May meeting to discuss the parking issue. He also asked that Mr. Wicks bring a visual, drawn to scale, of the casino and parking areas current and proposed.

HOLLYWOOD CASINO AURORA, INC. (“HCA”) and SOUTHERN ILLINOIS RIVERBOAT CASINO CRUISES, INC. (“SIRCC”) - Pat Medchill, representing HCA, requested initial consideration of a waiver of Board rule 3000.510 regarding preventive maintenance on vessels. Specifically, the City of Lights I and II must undergo the Coast Guard required five year hull inspection which will commence on June 1.

Chairman Johnson asked if both vessels would be down at the same time. Mr. Medchill stated that HCA will start with the City of Lights II and follow immediately with the City of Lights I.

Patrick Madamba, representing SIRCC, requested permission for its vessel to remain dockside to perform an overhaul of its second engine. The vessel will remain dockside for approximately nine days.

Member Vickrey asked Mr. Medchill if currently both vessels are cruising a full complement of cruises. Mr. Medchill stated that the City of Lights I (larger vessel) is used more. He further explained that the hours of operation after midnight do not require that two boats be operational. Member Vickrey asked for the operational hours of the City of Lights I and II. Mr. Medchill stated that the City of Lights I starts at 9:30 a.m. sailing every two hours until 6:00 a.m. The City of Lights II starts at 10:30 a.m. cruising every two hours ending at midnight midweek and 2:30 a.m. on the weekends.

ALTON BELLE CASINO - (“Alton”) - Don Malloy, representing Argosy Gaming Company, requested final approval of a parent level equity offering that will be sold only to institutional investors. The proceeds of the offering will be used for capital projects and improvements at various Argosy sites.

Chairman Johnson asked if this was a preferred stock offering. Mr. Malloy stated this is a “convertible” preferred stock offering. He further stated the offering would be done in two tranches of \$8 million, the second tranche being a call by investors and a put by Argosy. Chairman Johnson asked what the stock, when converted, would represent of the equity ownership interest in Argosy. Dale Black, CFO of Argosy, stated that it depends on the exact conversion price. It could represent anywhere from 8 to 12 percent of the common stock of Argosy.

Chairman Johnson asked if one individual or entity had ownership of both tranches would Argosy have to come to the Board for approval. Mr. Black stated that they would. The

Chairman asked if Argosy would have to go to other gaming jurisdictions as well. Mr. Black responded affirmatively.

Administrator Belletire observed that if the equity is issued, staff would conclude that the right to hold the underlying common shares constitutes the basis by which this Board would have a nexus of interest. Based upon this, individuals or entities that hold preferred stock that equates to ownership rights of 5 percent or more of Argosy's common stock would be subject to disclosure of ownership at the time the preferred stock is acquired. This disclosure requirement is binding upon individuals and Institutional Investors. Upon disclosure staff will assess whether a Form 1 filing or a Key Person designation is applicable. Staff is recommending that the Board direct Argosy to take steps to communicate these requirements to prospective buyers.

Chairman Johnson asked under what circumstances the Board is required to approve a financial restructuring. The Administrator stated that Board rules 3000.234 and 3000.235 cover this issue. Any time the direct ownership interests in the licensee are affected the Board would require a prior approval of the transaction.

Member Pyatt moved

**WHEREAS, Argosy Gaming, Inc. ("Argosy") is contemplating a financing through the private placement of certain shares of stock; and**

**WHEREAS, pursuant to Section 5(c) of the Riverboat Gambling Act, the Board has all powers necessary and proper to fully and effectively execute the provisions of the Act and to take reasonable and appropriate actions to enforce the Act and Board Rules.**

**NOW THEREFORE BE IT RESOLVED that Argosy is hereby ordered to do the following:**

- 1. Notify any person or entity that is considering purchasing the preferred stock that:  
(a) such person or entity may be required to file a Form 1 disclosure form with the Board; and (b) that such person or entity may be subject to a determination of suitability by the Board; and**
- 2. Take appropriate steps to ensure that Argosy can repurchase the shares and/or limit the benefits which may flow from the ownership of the shares in the event any purchaser in this offering is ultimately found unsuitable by the Board.**

Member Browder seconded the motion. The Board approved the motion unanimously by voice vote.

EMPRESS RIVER CASINO "Empress") - Mike Hansen, representing Empress, gave a history of the proposed merger between its Illinois and Indiana interests. Mr. Hansen stated that LMC

Leasing company was created as a holding company. LMC is already the holding company for Empress-Hammond. LMC will form a new subsidiary known as New Joliet Empress which will merge into the present Empress Casino Joliet. Mr. Hansen stated that the holders of the shares of stock of Empress Casino Joliet will exchange their shares for LMC stock.

Mr. Johnson asked what LMC Leasing company does. Mr. Hansen stated that LMC is: a holding company; it has a separate subsidiary -- Empress Casino Hammond which it owns 100 percent of; it owns a 40 percent interest in Empress River Finance Corporation (the issuer of Empress' bonds); it owns the Empress III (a vessel located in Hammond); and some cash.

Mr. Hansen stated that there is only one new investor. This investor, presently an owner in the Indiana operation, will be submitting a Form 1 application as a non-voting shareholder. He currently owns 2.25 percent in the Indiana operation but under the reorganization he will own about 1.5 percent of the overall company. Mr. Hansen stated that the additional investor in Illinois is the only change. The directors and the officers of the holding company will remain the same as that of Empress-Joliet. No assets will be transferred between Empress Joliet and the holding company. There will be a management agreement between LMC and Empress Casino Joliet.

Chairman Johnson asked if the contractual relationships currently between Empress Joliet and Empress Hammond will remain in place. Mr. Hansen stated yes.

Member Browder moved **that the Board approve the proposed reorganization of Empress Casino Joliet pursuant to which Empress will become the wholly-owned subsidiary of LMC Leasing.** Member Pyatt seconded the motion. The Board approved the motion unanimously by voice vote.

John Costello, representing Empress, requested final approval of a proposed refinancing. Mr. Costello reported that Empress has outstanding, to date, \$150 million 10 3/4 senior notes which come due 2002. He reported that Empress is requesting the refinancing to: 1) match the capital structure with the new holding company structure; 2) minimize cost of capital on a pro forma basis (the interest expense would be reduced by approximately \$3.5 million a year); and 3) maximize flexibility for what could be a wide range of possibilities for the company moving forward.

Chairman Johnson asked about the issuance of the notes and whether they were in name only for Empress-Joliet. Mr. Hansen stated that Empress-Finance Company issued the notes. He reported that there is a mirror note from Empress-Finance to Joliet for the \$150 million. He further clarified that \$69 million of the \$150 million went to LMC and Hammond. The remaining \$81 million was used to recapitalize Joliet. Chairman Johnson asked if it was just for recapitalization or were there new assets. Mr. Costello stated that it bought out the management company RGMI.

Chairman Johnson asked if the \$69 million provided to Hammond and LMC has been repaid. Mr. Costello stated that it had not. The debt cannot be retired unless the bonds are recalled and a premium is paid.

Administrator reported that one issue in this matter needs to be reconciled. There is a premium that will be associated with retiring these notes and a decision will need to be made on how to allocate that premium across the representative interests that are affected. Staff will work with the licensee on the issue but the licensee will have to pay \$14-\$15 million to retire the existing notes early.

Member Browder further moved **that the Board approve the refinancing proposal pursuant to which LMC Leasing, Ltd. will issue up to \$175 million in senior subordinated notes to refinance existing debt. This approval is subject to the Administrator's review and approval of the final terms of this debt issuance.** Member Pyatt seconded the motion. The Board approved the motion unanimously by voice vote.

#### Supplier Licenses

##### PAUL-SON GAMING

Member Vickrey moved **that the Board approve Daniel B. DiEdwardo as a Key Person of Paul-Son Gaming Supplies, Inc.** Member Browder seconded the motion. The Board approved the motion unanimously by voice vote.

ARISTOCRAT, INC. - Donna More, representing Aristocrat, requested approval of Barth Aaron as a Key Person.

Member Vickrey moved **that the Board approve Barth F. Aaron as a Key Person of Aristocrat, Inc.** Member Browder seconded the motion. The Board approved the motion unanimously by voice vote.

MIKOHN GAMING ("Mikohn") - Bill Kunkle, representing Mikohn, requested initial consideration of a stock purchase of Progressive Games, Inc. ("PGI"). Mr. Kunkle stated that no key persons or management staff will be transferred from PGI to Mikohn because it is a stock buy-out.

#### Occupational Licenses

Member Pyatt moved **that the Board approve 57 applications for an Occupational License, Level 2, and 164 applications for an Occupational License, Level 3, and deny 1 application for an Occupational License, Level 2, and 6 applications for an Occupational License, Level 3.** Member Browder seconded the motion. The Board approved the motion unanimously by voice vote.

#### Complaints & Disciplinary Actions



#### PLAYERS/SOUTHERN ILLINOIS RIVERBOAT CASINO CRUISES (“SIRCC”)

Administrator Belletire stated that staff recommends the Board consider the adoption of DC-98-5 through DC-98-7 relating to credit related practices engaged in by SIRCC. Specifically, DC-98-5 involves SIRCC’s failure to exercise proper judgment and discretion in the granting of credit to as many as eleven separate individuals. The individuals were granted exorbitant levels of credit in relationship to their verifiable financial status. DC-98-6 deals with the adequacy of documentation in verifying credit information for several patrons. Internal Controls and company policy were not followed. DC-98-7 concerns failure to implement collection consistent with the credit collection policies of the licensee.

The above complaints stem from a broader inquiry started last year in which a sudden and abrupt increase in credit outstanding on the part of Players was found to be attributable to eleven individuals. Staff has met with the licensee which was given the opportunity to submit materials to the Board to substantiate its actions. No additional substantiation was submitted.

Member Browder moved **that the Board issue disciplinary complaints numbers DC-98-5, DC-98-6, DC-98-7 against Southern Illinois Riverboat Casino Cruises, Inc. (“SIRCC”) and fine the company \$60,000, \$25,000 and \$15,000 respectively. The complaints involve (1) SIRCC’s failure to issue credit in a commercially reasonable manner; (2) SIRCC’s failure to properly document the basis for the issuance of credit to individual patrons; and (3) SIRCC’s failure to comply with its established collection procedures.** Member Pyatt seconded the motion. The Board approved the motion unanimously by voice vote.

#### HARRAH’S CASINO & PAUL-SON GAMING

Administrator Belletire stated that in the Spring/Summer of 1996 following approval by this Board for a new game known as Royal Match 21, Harrah’s Joliet implemented the new game but failed to properly implement procedures with regard to a new game. Specifically, Harrah’s failed to notify the Gaming Board of its licensing agreement with BET Technology for the rights to the game -- a gaming related agreement. Harrah’s did not report this in its 1996 or 1997 renewal application. Secondly, Harrah’s obtained and placed into use six layouts for Royal Match 21 from BET Technology which is not a licensed supplier in Illinois.

A related complaint involves Paul-Son Gaming in the same implementation of Royal Match 21 at Harrah’s. Paul-Son began supplying the game layouts to Harrah’s prior to amending its supplier’s list to include the new game layouts as a valid supply to be offered in Illinois.

The Administrator stated that the circumstances surrounding Harrah’s and Paul-Son’s complaints were unintentional. Both company’s have been cooperative and explained the circumstances as oversights on their part.

Member Vickrey moved **that the Board issue a disciplinary complaint against Des Plaines Development Limited Partnership (“Harrah’s”) and fine the company \$5,000.** The

**complaint concerns Harrah's use of gaming equipment received from a non-licensed supplier.** Member Browder seconded the motion. The Board approved the motion unanimously by voice vote.

Member Vickrey moved **that the Board issue a disciplinary complaint against Paul-Son Gaming Supplies, Inc. and fine the company \$3,500. The complaint concerns Paul-Son's failure to amend its authorized Illinois product list.** Member Pyatt seconded the motion. The Board approved the motion unanimously by voice vote.

#### Occupational Licensee

Member Pyatt moved **that based upon the staff's report, I move that the Board issue a complaint for disciplinary action against Jennifer Sossong and revoke her Occupational License.** Member Browder seconded the motion. The Board approved the motion unanimously by voice vote.

#### Board Policy Items

##### COMPULSIVE GAMBLING HELP LINE

Adrienne Levatino, representing the Illinois Casino Gaming Association ("ICGA"), reported that the ICGA has been working to combat compulsive gambling. In January, 1996 the ICGA structured and implemented a comprehensive responsible gaming initiative funded by Illinois casino licensees.

Ms. Levatino reported on the progress the American Gaming Association ("AGA") is making in the area of compulsive gambling. In October, 1995, the AGA created a Responsible Gaming Task Force. This group is charged with identifying, developing and implementing responsible gaming programs and policies throughout the gaming industry. The Task Force's first achievement was the creation of the Responsible Gaming Resource Guide used throughout the United States. Ms. Levatino gave an overview and an accounting of the National Center for Responsible Gaming ("the Center") located in Kansas City, Missouri. She discussed funding received and spent by the Center and its current and future research projects.

Ms. Levatino reported that in connection with Harrah's Operation Bet Smart and Project 21 programs an 800 number Help Line was funded. This service, provided by Bensinger DuPont & Associates, is advertised through a variety of collateral materials used throughout the State. The Help Line number is printed on items such as promotional literature, menu cards, cruising schedules, credit applications, directions to the casinos, and themed event announcements.

Employees throughout the State are trained and retrained on the existence of the Help Line program. Collateral such as palm cards carrying the Help Line number and the twenty questions used by Gamblers Anonymous for screening compulsive gamblers is readily available to employees.

Peter Bensinger, representing Bensinger, DuPont & Associates, gave an overview of the Help Line's origin and the results accomplished since its inception (February 1996) through February 1998. The Help Line is operated 24 hours a day, 7 days a week with access to masters degreed counselors. The counselors provide crisis intervention and telephone counseling. Counselors refer callers to sources of help including Gamblers Anonymous and qualified providers experienced in the treatment of compulsive gambling. Mr. Bensinger reported that out of the 7,994 calls the Help Line received during the two year period, 4,331 were Help Line specific calls. In August, 1996, Bensinger DuPont started a quality assurance program to get feedback from callers. Mr. Bensinger concluded from the survey that the Help Line continues to reach people in need. The preliminary survey data suggests 60% of callers have said they stopped gambling. The accessibility to Help Line services has been enhanced with increased riverboat promotion and awareness.

Member Pyatt asked if other gaming venues in the State provide information that the Illinois operators are required to provide on-site and in promotional materials. Mr. Bensinger stated that he does not believe that the other venues provide the same level of awareness or visibility. He noted that the Department of Lottery provides an 800 number on the back of each lottery ticket that ultimately transfers calls to the Help Line for those wanting this assistance.

Ms. Levatino stated that Arlington International, last year, was using the 800 number on some of its collateral materials. She stressed that the riverboat's widespread use of the 800 number is unprecedented.

Chairman Johnson asked if all riverboats contribute to the Help Line. Ms. Levatino stated that all riverboats in Illinois are assessed quarterly for a proportionate share of the program. She stated that the two-tiered assessment system is based on monthly revenues.

Member Vickrey asked whether a problem gambler can have his or her name purged from all casino mailing lists. Ms. Levatino stated that the casinos will take a patrons name off its mailing lists if asked. Member Vickrey further asked if there was a way for a person to call the Help Line and have their name taken off the lists. Mr. Bensinger stated that his company would never reveal the name of any caller to the ICGA or any other party. The information is confidential.

Mr. Browder commended Mr. Bensinger, Ms. Levatino, the Illinois licensees and their staff for their efforts in combating compulsive gambling.

#### KEY PERSON RULES

The Administrator reported that communications were sent to all owner and supplier licensees and attorneys representing casinos in the state and solicited comments regarding the proposed definitions and rules relating to Key Persons. Comments received were used to adjust the draft rules. The Administrator recommended approval of the rules for initial rulemaking.

Chairman Johnson referred to rule 3000.222(c)(1) and asked if this rule creates standardization between a publicly held and a non-publicly held owner and if the 5 percent standard will be applicable in both cases in the future. The Administrator responded affirmatively.

Chairman Johnson asked for clarification between rule 3000.222(e)(1) and rule 3000.225. The Administrator stated that each individual who is presently designated as a Key Person may not be necessarily required to file the personal disclosure form. The Administrator further stated that under the proposed rules there are some other individuals that may be required by the Board to file disclosure forms that are not designated as Key Persons. The Administrator stated that staff will clarify this provision.

Member Browder moved **that subject to the changes discussed above the Board approve for initial filing with the Secretary of State of the proposed definitions and rules pertaining to Key Persons submitted by staff at this April 1998 Board meeting.** Member Pyatt seconded the motion. The Board approved the motion unanimously by voice vote.

#### GAMING POSITION DEFINITION

The Administrator reported that a question arose from a licensee as to whether or not an expansion would be approved that would increase patron capacity and what effect that might have on the number of gaming positions. Board members agreed that at any point in time no more than 1,200 people should be engaged in gambling.

#### ANNUAL REPORT

Marianne Floriano stated that the 1997 Annual Report was submitted to the Governor on February 26, 1998. The report was expanded to include a survey that staff conducted on the patrons that visited the riverboats. The survey was completed in June, 1997 and the results were incorporated into the Annual Report. The report also reflects a more in-depth look into competition from neighboring states.

Board members commended Ms. Floriano for her efforts in producing an informative report.

#### LEGISLATIVE UPDATE

The Administrator reported that there are no casino gaming related measures currently pending in the Illinois General Assembly.

There being no further business to come before the Board, Member Browder moved **that the Board stand adjourned.** Member Scrogum seconded the motion. The Board approved the motion unanimously by voice vote and adjourned at 3:15 p.m.

Respectfully submitted,

Susan O. Weber  
Secretary of the Board